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ABSTRACT

The way in which intraorganizational context can influence strategy making is shown by comparing six Canadian universities formulating retrenchment strategies. "Strategy" involves the components of the strategy, the process by which strategy is made, and the context in which strategy is formed. A variety of university contexts are identified with an emphasis on how they influenced the choice of strategy, processes of implementation, and outcomes. The nature of each university setting is examined by analyzing the behavior of the various interest groups and the relationships between them. The focus is on the key decision making groups in the university (the president's office, the deans, the senate, the board, and the faculty association). Certain university contexts are identified, and the link between them and the retrenchment strategy is discussed (the decentralized collegium, the technocratic bureaucracy, the sectarian university, the collegial bureaucracy, and the centralized collegium). A link between retrenchment strategies and the university context is demonstrated. Contains 38 references. (SM)

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UNIVERSITY CONTEXT

and

STRATEGY MAKING

by

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This paper was presented at the annual meeting of the Association for the Study of Higher Education held at the Adam's Mark Hotel in St. Louis, Missouri, November 3-6, 1988. This paper was reviewed by ASHE and was judged to be of high quality and of interest to others concerned with the research of higher education. It has therefore been selected to be included in the ERIC collection of ASHE conference papers.

It has been pointed out that strategy making involves a number of components, including: the content of the strategy; the process by which strategy is made; and the context -- or setting -- in which strategy is formed. To understand strategy making fully, we must examine all three components and the relationships between them. (Pettigrew, 1987; Hardy, 1987). This paper shows how the intraorganizational context can influence strategy making by comparing six Canadian universities engaged in the formation of retrenchment strategies.

For the purposes of this study, strategy is defined as a pattern in a stream of actions (Mintzberg & Waters, 1985); in this case, patterns in the response to financial restrictions. An examination of the universities reveals different strategy making processes. Contextualist research searches for the explanation of variations in process -- a continuous and interdependent sequence of events -- in the analysis of the intra and/or interorganizational context and, particularly, in the cultural, political and historical components of that context (Pettigrew, 1985). The paper uses this framework to identify a variety of university contexts, and shows how they influenced the choice of strategy, processes of implementation, and outcomes.

University contexts have long been the subject of investigation. One view, somewhat outmoded now, is of the university as a collegium, in which "a community of individuals and groups, all of whom have different roles and specialities, but who share common goals and objectives for the organization" take decisions (Taylor, 1983: 18). Many writers have dismissed the consensus associated with this model in favour of a political framework (for example, Ladd, 1970; Baldridge, 1971; Beyer, 1976, 1982;

Baldridge et al. 1977; Gross & Gambusch, 1977; Pfeffer & Salancik, 1978; Davis & Morgan, 1982; Hackman, 1985), in which individuals are motivated by self interest (Hardy et al. 1983). The idea of universities as organized anarchies has also emerged, where ambiguous goals, problematic technology, fluid participation and nonpurposive behaviour introduce a random element into decision making (March & Olsen, 1976; Baldridge et al. 1978). Finally, the bureaucratic nature of universities has been highlighted in which the organization is dominated by hierarchy and bureaucratic procedures. Categories -- or pigeon holes -- are created in which skills and knowledge are standardized, and where students receive clearly defined and standard programs (Blau, 1973; Mintzberg, 1979; Hardy et al. 1983).

The problem with many of these models is that, with some exceptions (for example, Helsabeck, 1971; Hendrickson & Bartkovich, 1986), they seek to classify universities in general according to one particular model. Universities are often cited as a global example of the professional bureaucracy. They are viewed, en masse, as an example of decentralized decision making power, complex committee structures, and loosely coupled constituent parts (for example, Blau, 1973; Baldridge, 1971; Weick, 1976; Mintzberg, 1979; Lutz, 1982). Universities are not, however, all the same (Blau, 1973). They have different mandates; specialize in different areas; vary in size and age; owe their existence to different traditions and leaders; employ an array of governance procedures; and are subject to various government regulations and intervention. It would seem, then, that universities deserve a more sophisticated analysis and that, instead of being lumped together under one model, they may be characterized by different mixes of politics, bureaucracy, collegiality, rationality and the garbage can in ways that differentiate them from each other. If different

university contexts can be found, they may well have a bearing on decision making and strategy formation (see, for example, Chaffee, et al. 1988).

The remainder of this paper is organized as follows. First, the reader is introduced to the universities that form the basis of this study, and a brief outline of the system of higher education in Canada. This section also describes the retrenchment strategies employed by the universities. The following section examines the nature of each university setting by analyzing the behaviour of the various interest groups and the relationships between them. Certain university contexts are then identified and the link between them and the retrenchment strategy discussed. Finally, some conclusions are drawn.

The Universities

Canadian universities operate under the jurisdiction of provincial governments, which provide most of their operating revenues. Even institutions with private charters rely on government grants. Many universities have, in recent years, experienced financial restrictions as a result of government spending policies. Typically, tuition fees comprise less than twenty per cent of operating revenue and, in some provinces are fixed by the government. The financial situation in each of the three provinces is described briefly below in chart 1. The universities and their retrenchment strategies are described in chart 2. Summary statistics on the universities are provided in table 1.

While Canadian universities tend to rely heavily on government for financing, decision making is, subject to certain regulations, primarily an internal affair. Financial decisions are the responsibility of the board of governors, which typically consists of a combination of political and university appointees. Academic decisions are the domain of senate which

Chart 1: The Provinces

Quebec

Funding restrictions in Quebec -- in which McGill University and the University of Montreal (UM) are situated -- started in the late seventies when increases in government funding failed to meet salary raises. In 1981 the government announced plans to reduce funding for the following three years. As a result, total university grants were reduced by 13 per cent between 1978/9 and 1983/4, at a time when student numbers were increasing.

Ontario

The University of Toronto (UT) and Carleton University are situated in Ontario, where financial restrictions have been more gradual than in Quebec, but have occurred over a longer period. In 1970/1 a freeze was put on capital funding for new construction and, while increases matched inflation, they failed, in the opinion of the universities, to keep up with the number of new students. The situation appeared to worsen following 1977/8, since when government funds have consistently been less than the amount recommended by the intermediary body (Skolnick, 1986).

British Columbia (BC)

The University of British Columbia (UBC) and Simon Fraser University (SFU) have seen the most dramatic cuts in government funding in Canada. Restraint legislation brought in by the provincial government in 1983 to reduce its deficit, allowed universities to break tenure for financial reasons. It was accompanied by a freeze on university grants in 1983/4 and a five per cent reduction in both 1984/5 and 1985/6.

Chart 2: The Universities

McGill University was established in 1821. It retains a private charter but is, for all intents and purposes, publicly funded. In 1984 it had 30,000 students, including over 7,000 graduate students, and nearly 1700 professors. Its operating budget was over $180 million, added to which was nearly $78 million in research grants. McGill's method of resource allocation has existed since the early seventies, and was not changed during the period of fiscal [illegible]. A formula based on student numbers allocates more money to faculties and departments with increasing enrolments, and less to those with decreasing enrolments. A small amount of the budget -- around three per cent -- is held back each year and allocated in a discretionary manner by the central administration, in response to deans' requests. Global budgets are allocated to deans and, in the case of the larger faculties, to individual departments. Expenditures were cut by reducing the amount of money distributed by the formula, while the implementation of those cuts was left to the the specific dean or department head. An agreement with the faculty and staff associations to forego salary increases also helped reduce expenses.

The University of Montreal is a french speaking institution orginally founded in 1878 as a Catholic school. It became a public university in 1967. It had around 30,000 students, including 6,000 graduates, and 1500 professors. Its annual budget was almost $200 million, of which $ $37 million consisted of research grants. In 1982/3 and 1983/4, central administrators developed a productivity formula based on each unit's amount of graduate and undergraduate teaching, and research. Differential cutbacks were administered on the basis of this formula of up to eleven per cent during the first year, and up to seven per cent the second year. Areas such as Computer Science and Economics received relatively small cutbacks, while Education and Nursing received larger ones.

The University of Toronto is the largest canadian university. It had nearly 70,000 students, including summer session and 11,000 graduates, over 2,000 professors, and an operating budget of nearly $350 million. It is the only university in the sample with a unicameral governance system, in which the functions of board and senate are combined in the governing council. It has responsibility for both financial and academic affairs and consists of 2 presidential appointments, 16 government appointments, and 8 members appointed by alumni, 12 by teaching staff, 2 by administrative staff, and 8 by students. UT also has an extra administrative level of vice provosts between the vice presidents and deans (diagram 2). UT attempted to close its Faculty of Architecture in 1986, at least partially for financial reasons, but withdraw the proposal when it became clear that it would not be supported in governing council. Another committee was struck to consider the issue, and advised that, instead of being closed, the faculty should be made an affiliated college.

Carleton University was created in the 1960s. It had around 16,000 students, of whom nearly 2,000 were taking graduate studies. There were some 600 professors. The budget hovered just below the $100 million mark, added to which were research grants of around $10 million. Carleton's financial problems started earlier than most -- in the mid 1970s when large deficits were predicted. The administration at that time threatened large scale layoffs, and refused to involve faculty and senate in decision making. It was as a result of these actions that the faculty union was formed (Axelrod, 1982). The current president, appointed in 1979, decided to rule out enforced dismissals, partly because of the complexity of the redundancy procedure in the collective agreement and, partly, from a desire to improve relations with the faculty association. Expenditures were, as a result, reduced primarily through attrition and voluntary early retirement. Reductions have been somewhat differential. For example since 1974, Arts has lost eighteen positions while Social Sciences has gained thirty.

The University of British Columbia opened in 1915. In 1984, it had some 1,900 professors and 27,000 students, 4,000 of whom were graduates. Its operating budget was $215 million, added to which were research grants of over $50 million. UBC is the only university in Canada to have terminated tenured staff in response to the recent financial restrictions, when a number of programs were eliminated with senate approval in 1985. Some one hundred posts were closed and twelve faculty were dismissed, of whom nine were tenured.

Simon Fraser University was founded in 1965. In 1984 it had 12,000 students (nearly half of whom were part time) including 1500 graduates, and 450 professors. Its operating budget was nearly $80 million and the university had research funds of $7 million. SFU did not dismiss tenured faculty, although it faced the same funding cuts as UBC. Instead, the university reduced expenditures through attrition and early retirement, and an agreement with the faculty association to "roll back" wages. In addition, there was a reorganization of some of the faculties. Interdisciplinary Studies was disbanded and its constituent parts absorbed primarily by Arts, and a new Faculty of Applied Science created. Some programs were cut, including German and Russian, and the Centre of the Arts' budget was reduced by a third.

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Interviewing was carried with central administrators, deans, and representatives of senates, boards, faculty associations, education ministries and intermediary bodies. Interviews lasted between one and three hours. They were semi-structured and conversations were recorded. In total, more than 170 interviews took place. In addition, relevant documentation -- such as annual reports, internal memos, task force reports, ministry reports and statistics, etc -- was collected and analyzed. The research was carried out between 1983 and 1987 and was funded by the Social Science and Humanities Research Council of Canada.

Table 1.

The Universities: Selected Statistics 1984[A]

	McGill	UM	UT	UB	Carleton	SFU
Operating Revenue	$184m	$199m	$341m	$217m	$95m	$70m
Government Operating Grant	$114m	$175m	$260m	$181m	$54m	$67m
Total Research Funds	$58m	$47m	$111m	$55m	$13m	$7.5m
# Students	21,000	21,000	49,000[B]	27,000	16,000[B]	15,000
# Graduate Students	5,000	6,000	11,000	4,900	1,900	1,500
# Professors	1,500	1,500	2,000	1,900	640	455
Government Funds as % operating revenue	62%	88%	76%	84%	57%	84%
Research as % Operating Revenue	32%	19%	33%	26%	12%	10%
Graduates as % Total Students	16%	19%	16%[C]	17%	12%[C]	12%
# Vice presidents	5	5	4	3	3	4
# Faculties	12	13	14	11	5	6

[A] Figures are derived from annual reports of the universities and other statistics provided by the universities. These figures are aproximate: methods of calculation and break downs vary according to province and individual university.

[B] Excludes summer session.

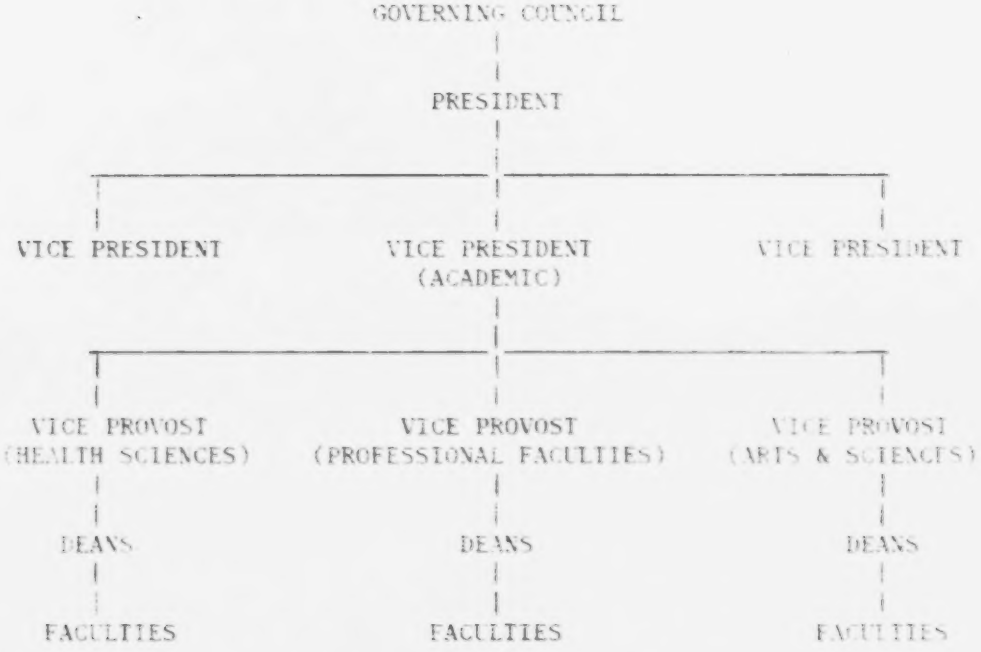
[C] Includes summer session.

Diagram 1.

Typical University Organization Chart

Diagram 2.

Simplified UT Organization Chart



comprises professorial and student representatives from the various faculties. The central administration of the university is typically headed by the president, a vice president (academic) -- who is the chief academic officer -- and other vice presidents who are responsible for such matters as finance, administration, and research. Diagrams 1 and 2 provide simplified versions of university structures.

The six universities span three provinces -- and three terms of financial restraint. They can also be classified in two basic groups, in terms of size and structure. McGill, UM, UT and UBC are older, larger, more diversified universities encompassing all the major disciplines and with a heavy emphasis on research. The remaining two -- SFU and Carleton -- are smaller, more focussed institutions, and include only a selected number of the professional schools. They attract a relatively smaller amount of research grants and have fewer graduate students. It is also clear that the universities employed very different strategies in response to financial restrictions.

The Interest Groups

Size and structure alone do not adequately explain the choice of retrenchment strategy -- there were significant differences within each of the two categories. Nor can can it be explained by provincial variations since universities in the same province relied on very different strategies (Hardy, 1987). In order to understand fully the choice of retrenchment strategy, we need to know more about the university context. In order to explore the historical, political and cultural aspects of context, mentioned earlier, it is useful to examine the behaviour of the key decision making groups in the university: the president's office; the deans; the senate; the board; and the faculty association [1]. In this way, a number of university contexts can be identified.

The president's office

The president's role can be categorized in one of two ways -- internal or external. The former is more concerned with operational matters, and will communicate regularly with deans and vice presidents, be active in the governance of the organization, and be a key policy maker. An external president delegates many of these functions, in order to concentrate on an ambassadorial role and liaise with external constituencies.

All the presidents in the sample had adopted the external role because, they argued, of an increasingly difficult environment. They felt that it was important to engage in more communication with government officials, in order to impress upon them the need for improved funding. All the presidents had initiated or were contemplating capital campaigns which, they felt, required their participation. Finally, the presidents thought it was important to engage in more public relations activities, to enable them to explain their university's role and contribution to society more clearly and to increase their leverage on the government.

Recent presidents at UBC had typically played a highly visible internal role. The new president (appointed in 1987), however, felt that he should attend primarily to the external demands of his job.

> The arrangement of having the president as an external ambassador is very contrary to the tradition here. Our president's in the past twenty years have essentially been internal presidents. So much so, that the external community is not very aware of what is happening here (dean).

The external responsibilities of these presidents had resulted in the delegation of many internal duties. In some cases, internal operations were delegated to a cabinet of VPs, who were jointly responsible for decision making. UT had such a cabinet, which was responsible for recommending policies to governing council, and allocating resources. UM

had a similar cabinet, known as the regie.

> The regie knows the council. It knows how to present things; it knows what to present; it knows not to present other things. The rector and vice rectors are very powerful (central administrator).

SFU had recently formed a cabinet with the creation of three new vice presidential positions since 1982 -- development, finance, research. One post -- administration -- had been disbanded, but many people considered that the director of administration acted as a VP in all but name. Three of the four VPs -- academic, development, and research -- were former deans of strong faculties. As a result, these individuals had expertise, information and credibility, as well as formal authority. The VP (finance) was also powerful as a result of a highly centralized financial system. Thus, SFU was characterized by a extremely powerful cabinet in terms of formal authority, financial controls, and informal power.

> The existence of new VPs has dramatically changed decision making. It has shifted power away from the deans. The first ten years when I was a dean, the deans had a lot of power (dean).

The president at UBC had been trying to create a cabinet in order to strengthen the president's office, which had been traditionally weak as a result of many responsibilities being carried out in deans' offices. The the role of provost had been added to the post VP (academic), a new post of VP (student services) had been created, and the idea of forming a committee of the VPs to allocate budgets was being discussed.

> The resistance to the new VP is not so much the portfolio, as having another VP. I think the issue is we are really creating a layer of VPs, rather than having a single route to get through to the president (central administrator).

In the remaining two universities, decision making was dominated by individuals, not committees. Power at McGill was essentially vested in

the VP (academic) and, playing a less visible role, the VP (finance).

> [The president] has delegated the day-to-day running to, depending on the field, either the VP (academic) or the VP (finance). They are usually pretty much on the same wavelength. Between the two of them, the place either functions or it doesn't. The principal is fairly dependent on them because he is away a lot of the time (central administrator).

The two key players at Carleton were the VPs (planning) and (academic).

> If I were to choose the most powerful individuals, I'd start with the two VPs (planning and academic). They choose not to work in a confrontational mode. I'd attach great importance to the VP (planning) because he is the financial wizard; he's had the longest tenure in office (dean).

In both cases, the combination of the authority and information vested in the senior academic position, and financial knowledge and expertise, provided a highly effective coalition.

The deans

The deans are an important group of administrators in any university. This section examines the nature of their roles in the different universities. It focusses on their participation in university decision making; their autonomy in faculty decision making; and the degree of fragmentation or cohesion within the group as a whole.

The deans at UT had considerable autonomy to allocate resources and make decisions within their faculty; but they were not involved in the resource allocation decisions between faculties.

> The deans accept the budget process -- or become resigned to it -- and I would say they don't have much influence on the amount they get. There's a fair trade off though. We say to the deans: you may not like what you get, but we are not going to muck about in your affairs once you get it (central administrator).

Faculty budgets were determined centrally, and decisions passed down to the deans with little participation.

> There are no discussions of any consequence before your

> budget allocation. Any discussions we have are purely for information. They are not structured in such a way to elicit participation in decision making. The personal contact is absolutely minimal (dean).

The deans felt they had little influence on global policy making in the university, for two reasons. First, unlike other deans who were members of senate, the deans at UT are not members of governing council. Consequently, they do not form part of the academic policy making body of the university. Second, they were clearly separated from the central administration, by the hierarchy and the administration's emphasis on line authority, which prevented them from approaching the president directly, and forced them to go first to the vice provost and provost.

> The president has a strong sense of organization, planning and hierarchy. He believes that decisions should be taken through channels. It's very structured. Other than committees, I only see the president about once a year (dean).

The deans as a group were relatively distanced from the central administration. There were no meetings that brought the deans and central administrators together as a group of senior managers. The regular meetings consisted of either all department heads and directors as well -- nearly 200 people -- or a smaller group that brought together only the deans of Arts & Science, Engineering, Medicine and Law. The group itself was fragmented. The hierarchy separated them from each other, by dividing them into three portfolios. Even within the divisions, meetings of deans were rare. As a result, the deans did not form a cohesive group; nor did they work together as an effective pressure group in challenging and influencing the central administration.

> The deans are not cohesive or competitive. My inclination would be for cohesion -- my experience has been isolation. We've not formed a lobby group. We've not formed a pressure group. We tend to work in isolation (dean).

The deans at UT might, then, best be described as CEOs in that their power lay in their autonomy concerning faculty matters. Their influence on global decision making was reduced by their compartmentalization -- their distance from each other and the central administration.

The deans at UBC were also powerful CEOs, as a result of a traditionally weak central administration, and had gained control over information, budgets, purchasing, etc.

> A lot of jobs that should have been done in the president's office have been done in the deans' offices (central administrator).

While there had been a move to centralize many of these operations by the new president, many features of the old system still remained. Many of the deans continued to identify with the interests of their particular faculty, rather those of the institution.

> I think many of the deans feel that the faculties are the university and they are best run as faculties, rather than integrated into the university framework..... I think they see themselves as CEOs of a subsidiary and they want to run their particular entity. It becomes a power struggle when the university takes away that resource (dean).

They, too, were a fragmented group; but, unlike their counterparts at UT, whose fragmentation rendered them relatively quiescent to university decisions, the deans at UBC were far more politicized. They used their power to to confront each other, as well as the central administration.

> UBC has a lot of antagonism in it. It is part of the confrontation politics. The departments shook a stick at the faculties, who shook a stick at the president, and we are coming to answer for it. All the faculties fought and were vying with each other away from the centre (dean).

Only at Carleton were the deans part of the policy making executive team for the university as a whole. They were " senior managers of the university, and not just CEOs of their faculty" (central administrator).

All the deans were members of two key committees -- the deans' committee and the long range planning committee -- which met on alternate weeks. They also met informally every week for lunch. The result was a highly cohesive group, in which the deans were integrated with the central administration to form a decision making team that was committed to an institutional perspective, rather than a parochial view.

> We have a very collegial operation here -- in faculties, between faculties, and with the VPs. Earlier the deans were unhappy with the [old] central administration. Now the deans feel part of the central administration (dean).

SFU deans had once played a similar role but, in recent years, power had moved up the hierarchy as three powerful deans were made VPs. Deans were also strictly controlled by highly centralized budgetting procedures.

> We certainly don't have much room for making decisions. We almost have a line by line budget. It's very tight (dean).

The decanal level thus began to take on more of a middle management role, instead of being part of the university executive.

Fragmentation increased as the result of the appointment of new deans and the emergence of personality conflicts. On some occasions, however, the group did work in unison to challenge the central administration, particularly through senate, where they sat on all the powerful committees and were important opinion leaders. For example, the deans had been unwilling to support a proposal by the central administration to make two VPs members of senate. As a result, the proposal was withdrawn by the central administration, which doubted its ability to secure senate approval. The deans at SFU were, then, able to actively intervene in university decision making, although they rarely did so.

> The power has shifted from the deans to the VPs and that has happened because some of the deans have become VPs, and they were reasonably strong deans; but I don't think

> the deans have used the power they have. They have become more competitive, and are not so collegial now, because of the personalities. This explains why they don't work as a force together (central administrator).

UM deans were relatively powerless. The centralization of decision making in the regie relegated them to the role of middle managers.

> The power play takes place at a level far beyond our influence (dean).

They tended to keep to their own territory rather than form a united group. This fragmentation prevented them from challenging central decisions.

> The deans have always been competitive in a gentlemanly way. No one bangs the table and says I want more money but everyone has his own territory and doesn't enter into anyone else's (dean).

The deans at McGill also played a middle management role, not because power was centralized above them, but because it was decentralized below them -- by means of global budgets that went directly to departments.

> It would be an intrepid dean who would go against a strong department head. The real power in this university is, I think, the chairmen; and they are deferred to by everyone -- the deans and vice prinicpals -- in their own area (dean).

The McGill deans were a highly cohesive group, which clearly identified with the central administration.

> I don't think there's a sense of guarding territory much here. There's a lot of collegiality; a lot of the sense that we're all in this predicament together and that we can help each other and learn from each other (dean).

It is interesting to note in cases where power was centralized above the level of deans, fragmentation and parochialism tended to occur, while cohesions existed then it was decentralized below them. For this reason it is important to consider the power of the deans, not only in relation to central administration, but also in relation to department heads.

The Senate

Senate is an important interest group in any university in that it has

authority over academic affairs. Its mandate, however, often precludes it from direct influence over financial matters. Nevertheless, many changes in the university setting have academic components that give senate the opportunity to confront the central administration. Senate often has power of veto and can prevent proposals reaching the board. It may also filter out proposals in the committee stage.

Some senates were considerably more active than others. In the 1960's, McGill changed from a "one-man benevolent autocracy" into a democratically governed institution (Frost, 1983). It involved streamlining and strengthening senate, which increased its influence in university decision making (Thompson, 1977). At UBC, program closures have to be approved by senate, making it a key actor; at least in the context of retrenchment. The senates at Carleton and UM were, on the other hand, were relatively passive, and rarely challenged the central administration.

> Senate is largely ineffectual. It appears to have no policy making authority at all (member of faculty association at Carleton).
>
> Sometimes [the senate] thinks it is a deciding body -- but not according to [illegible] (central administrator).

A similar situation existed at SFU -- as long as the central administration had the support of the deans, who were very influential.

> All the deans are there, although senate does outvote the administration. The deans are also on the committees -- they don't outvote the other members but if they turn out and vote en bloc, they would probably win on any given day, and the deans do sway other votes (central administrator).

At UT the functions of the senate were combined with those of the board in the governing council, which was considered to be a diverse body of often conflicting interests, appointed by government, professors, alumni, students, and administrators. In day to day operations, it tended

to support the central administration, because it did not have detailed knowledge, and helped to centralized power in the president's office.

> They can only accept, reject or refer back. They can't add to or change recommendations. If the president puts his name to it, they would have to reject the president. The president has a lot of power in that sense (central administrator).

On more contentious issues, however, it tended to have the opposite effect. On issues of radical change, the council often became a highly politicized arena, which the central administration found very difficult to influence.

> The weakness of the structure is that it is a crapshoot. You can't predict how it will turn out. You don't know who's going to be away, who's going to turn up, and what the politics of that particular issue are (central administrator).

The Board

The boards were supportive of the central administration in all cases except UT, as has been explained above, and UBC. Boards rely on central administration for their information and do not have detailed operational knowledge. As a result, one would expect them to be supportive of the president, unless something is disastrously wrong. So while some relatively minor decisions may be overturned, most boards appeared reluctant to challenge major presidential initiatives.

> The board of governors doesn't understand the budget -- it's so complicated. They are lucky if they can find the right room (central administrator).

The board at UBC, however, had a reputation for being confrontational.

> I think the board is very responsible and if they don't think the president is doing something right, they speak up on it. There might be the odd specific thing where there has been no agreement but I don't think I would like to go into that. Certainly, the board hasn't been reluctant to say to the president and the administration: and here's why! That message has been communicated (board member).

It consisted primarily of government appointees and, since the restraint

program threatened tenure, many people felt that the board would act unilaterally, if the university did not take steps to cut programs.

Faculty association

Faculty are represented by associations which may or may not be formally recognized unions. The associations at SFU and McGill might be considered supportive of the central administration. Both had good relations with the administration, and volunteered to take either a pay cut, or forego pay rises to help the university deal with its budget problems. The unions at Carleton and UM, and the association at UT had less collegial relations with their administrators, but could not be considered particularly militant. In these cases, the associations might be described as passive -- they did not actively support the central administration, but nor did they actively oppose it.

UBC's faculty association was actively confrontational. The move to dismiss tenured faculty provoked fierce opposition from the association, which disputed the statutory power of the president to do so. It initiated arbitration, which was only withdrawn when a satisfactory settlement was negotiated with the staff concerned. A vote of no confidence in the board, the acting president and the acting vice president was passed, and attempts to negotiate a financial exigency were not ratified by the membership.

University Contexts

By piecing together the behaviour and relationships discussed in the preceding analysis, we can identify a number of distinct organizational contexts in the universities that were studied (table 2). This section takes each of these settings in turn, discusses them, and explains the link between them and the different retrenchment strategies that were adopted.

Table 2.

The Contexts

	McGill	UM	UT	UBC	SFU	Carleton
president's office:	external individual	external cabinet	external cabinet	external (transition)	external cabinet	external individual
deans:	middle line cohesive supportive	middle line fragmented quiescent	CEO fragmented quiescent	CEO fragmented factionalized	middle line cohesive* challenging*	executive cohesive supportive
senate:	active	passive	active	active	active*	passive
board:	supportive	supportive	not supportive	not supportive	supportive	supportive
faculty:	supportive	passive	passive	active	supportive	passive*
Configuration:	Decentralized Collegium	Technocratic Bureaucracy	Federal Bureaucracy	Sectarian University	Collegial Bureaucracy	Centralized Collegium

* sometimes

The Decentralized Collegium

McGill is a highly decentralized university (Arnold, 1981) which came closer to the collegial model than any of the other universities.

> McGill University enjoys at present a collegial model, or probably as close as it is possible to come (Thompson, 1977: 44).

The president played a primarily external role, delegating operational matters to the VP (academic) who formed a highly effective coalition with the VP (finance). The budget was decentralized to the level of department heads in the form of global budgets. It reduced the power of the deans since they were unable to move resources around between departments but they were, nevertheless, an extremely collegial group and displayed an institutional perspective. The senate played a relatively active role and was considered an important player in university decision making. The board was supportive of the administration, and relations with the faculty association were extremely cordial.

McGill's response to budget cuts was designed to protect and nurture this collegiality. Resource allocation was determined by an apparently "objective" formula that did not overtly differentiate between departments and faculties. The administration has thus tried to avoid provoking conflict by distributing cutbacks in an equitable manner rather than, for example, by identifying high and low priority areas.

> The formula is hoped to satisfy everyone, which means it satisfies no one, but you hope it satisfies no one about equally (board member).

The discretionary fund did not create conflict since the deans appealed individually to the central administration for these funds, and did not compete for them in an open forum.

> We never get into a forum where we have to compete. We deal privately with the Budget Planning Group. I think decisions are taken in a discreet and fair way (dean).

The implementation of cutbacks was decentralized, through global budget allocations, to department heads and deans. The collegiality at McGill helped to mitigate the cutbacks in that the staff and faculty associations offered wage concessions.

The Technocratic Bureaucracy

UM was a more centralized university, run by a cabinet of president and VPs. Deans were relatively powerless and fragmented. Their power was increased, in theory, with the introduction of global budgets but, since the move occurred at the time of budget cuts, the lack of money left them with little real autonomy. The decentralization did not go below the deans. Department heads did not have their own budgets; senate was passive; the board was supportive of the central administration, and faculty, although unionized, was rarely confrontational.

The cutbacks were determined by the central administration who developed the productivity formulae. UM has been described as a technocratic bureaucracy because, more than any of the other institutions, it engaged in the production of quantitative data to determine resource allocation procedures (Hardy, 1988). In addition to the two committees which developed the productivity criteria, there were two studies on priorities in teaching and research, and administrative services in 1981; a study on the costs and benefits of closing all the units in the university in 1983; and a major study was made comparing each unit with comparable units in the eleven major universities in Canada in 1985. McGill, in contrast, only published two reports on the cutbacks, neither of which contained any statistical or quantitative analyses (Hardy, 1987).

The Federal Bureaucracy

UT was also relatively centralized in its hierarchical structure and

decision making style. The president was active externally and operated the university through a powerful cabinet of VPs.

> I think its a pretty common perception that the university is top heavy administratively, and that there are heavy financial commitments with that system. I've never seen such long memoranda in my life -- everyone's writing a novel (dean).

It was also highly bureaucratic as a result of governing council, and in the central administration's use of line authority and hierarchy and attempts to standardize resource allocation procedures.

> The president has a strong sense of organization, planning and hierarchy. He believes that decisions should be taken through channels. It's very structured (dean).

The large size of UT, however, meant that some power had to be delegated through the vice provostial line to the deans who were, as a result, managers of their own faculties, but had little to say on university policy. They were isolated from each other and the central administration because of the structure and the lack of meetings.

> When I came into this job, I asked myself: what was my role? Was it advocate of the departments or central administration's representative in the faculty. I chose the latter (dean).

They were also unable to influence university policy through governing council, since they were not members.

> There is no longer any role in this university for deans other than as glorified department heads. You have no role in the academic governance of the university. There is no way deans can communicate directly with governing council (dean).

This compartmentalization resulted in a federation of the different faculties, rather than a unified institution.

The failure to close Architecture has been attributed to a number of reasons. There were accusations of insufficient consultation since the report recommending the closure was carried out by central administrators

who were distanced from the larger university community. The report recommending the closure failed to consider alternative actions, and the closure was announced before the report was released. Council support for the closure was difficult to mobilize. Finally, the compartmentalization of the deans meant that they distanced themselves from the issue.

> I kept out of the Architecture. I had nothing to win. If I agreed with it, I had little to add, and if I disagreed, it would put me into conflict with a guy I have to work with [his vice provost] (dean).

They considered it to be none of their business and, consequently, were unwilling to support the central administration, and act as champions for the closure in the wider university community.

The Sectarian University

The president at UBC had been trying to strengthen a traditionally weak central administration. Much of the power lay with the deans and, while they did not form part of a policy making executive, their support was essential to the president.

> The deans are not a senior policy team. On the other hand, individual deans could play a role. So, by dint of personality, influence or interest, a dean could be about as influential as he wanted to be: but the deans are not collectively built into the organization in the formal sense. The corollary is that the dean has a great deal more autonomy in his own faculty (central administrator).

Other interest groups also had to be accommodated. Senate had to approve program elimination, the faculty association was active and the board not always supportive of the administration. As a result, UBC was the most politicized university, in which the administration had to balance the conflicting demands of these different interest groups.

> [A previous president] alienated all the constituencies. He had alienated the board because of his public criticism of the government; the deans were unhappy because he had taken away power from them; and the

faculty wanted him on campus more (senate member).

The reason why UBC chose to dismiss tenured faculty seems to stem from a need to accommodate the demands of the board and, through it, the government, for a "tougher" approach.

> [The closures] were good choices as an answer to the government. If the government was going to play a game, we were going to play a game too. The twelve people were the sacrificial lambs. They did a marvellous job of obfuscating, -- smoke and mirrors -- in the sense that the cuts were so trivial while they looked much more dramatic from the outside (dean).

The proposals for elimination that went to senate matched those of the Senate Budget Committee (SBC) which had devised a framework for assessing priority and nonpriority programs. Not all of SBC's recommendations were submitted, however. Where the central administration could not guarantee the dean's support, the proposal was dropped and so, for example, Arts and Medicine received global reductions rather than targetted cuts. Senate approved all the proposals except one, which the dean concerned opposed.

> SBC wanted to discontinue more things that we were prepared to recommend to senate. In some of those we didn't have the support of the dean. The last thing we wanted to do was to get into senate and end up arguing with the dean (central administrator).

UBC appears to have been successful in obtaining senate approval for two reasons. First, SBC legitimized the proposals by providing a consultative mechanism.

> The SBC has been used to add a little legitimacy to the decisions of the president (central administrator).

Second, the deans did [illegible] e the clo[illegible] criticized for inadequate consultation, and [illegible]

[illegible]

The Collegial B[illegible]y

SFU had elements of both collegium and bureaucracy. Power was

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centralized in the cabinet of president and VPs. Its use of formal controls and procedures resulted in a relatively bureaucratic institution.

> SFU is a twenty year old institution with a 200 year old bureaucracy (professor).

Many relationships, however, were collegial. For example, the board and faculty association were supportive of the central administration. Senate could be mobilized by the deans and, although cohesion in the group of deans, and between it and the central administration had declined, there was no evidence of any major conflict.

SFU was able to avoid tenured dismissals, despite facing the same reductions in government funding as UBC, because it did not face face the competing demands of different interest groups. The board was supportive and the faculty association offered a pay cut. The centralization of power enabled the president to implement the structural changes he wanted. They were proposed following a study by the President's Advisory Committee on University Priorities (PACUP) -- a group of five senior scholars which examined the various units and made recommendations for change. The involvement of PACUP both informed the new president (appointed 1984) of the situation, and created perceptions of consultation. The final decision, however, also involved the deans since, without their support, senate approval would not be assured. A united front of central administrators and deans, on the other hand, which had consulted through PACUP, helped guarantee senate approval.

> PACUP didn't really give us that much direction. What it did do was give the president a rationale for moving. He did consult, senior faculty were involved; but in the end it was essentially a plan that emerged from this own views of the university and discussions with the VPs and the deans (central administrator).

As at UBC, SFU developed its internal strategies to pacify external groups. The move to create a new engineering faculty was an attempt to

show the government and the community that the university was responding to societal needs.

> It's clear that a lot of those decisions were political -- what can we do to increase the visibility of the university as a contributor to the province (board report).

The centralized collegium

Carleton was the only university in which the deans played an active role in a highly collegial policy making executive for the university. The VPs (academic) and (planning) were key members of the administration who had helped create and nurture this situation. As a result, this central executive was highly powerful. Senate, the board and the faculty association, despite its unionized status, were all relatively passive in university decision making.

Carleton also ruled out enforced dismissals because of the problems the university had encountered in the 1970s. It has, instead, relied on attrition and voluntary early retirement. The university has been able to allocate resources differentially because of the collegiality between the deans, their ability to adopt an institutional perspective, and their integration into the decision making executive of the university.

> There is a consensus among the deans -- a social contract. They accept Social Sciences' growth (dean).

It had also been able to initiate a building campaign, which involved deans giving up some of their operating grants to fund new building projects.

In summary, the comparison of the universities across a variety of dimensions, involving the actions and relationships of key interest groups (diagram 3.) reveals a variety of university contexts which, undoubtedly, have had an influence on retrenchment strategy making. The following section discusses the implications.

Diagram 3.

PRESIDENT'S OFFICE:

external or internal

individual or cabinet

DEANS

middle line or CEO or executive

cohesive or fragmented

supportive/challenging or quiescent/factionalized

SENATE

active or passive

BOARD

supportive or unsupportive

FACULTY ASSOCIATION

supportive or passive or active

Conclusions

This article has provided a framework for analyzing university contexts by comparing the behaviour of key interest groups and the relationships between them (diagram 3). Similar frameworks -- suitably adapted -- could be used in other organizations. Six fairly distinct contexts have been discussed. Further research is needed to see whether other contexts exist and explore ways of refining them into a more manageable typology.

The focus has been on the link between intraorganizational context -- particularly its political and cultural components -- and strategy. Obviously, there may be other explanations of the actions taken in the different universities, such as the outer context -- for example, the size or severity of cutbacks -- and structural factors -- the size and structure of the individual universities. Since variations occurred within provinces and among universities of the same size and structure, they would appear to be complementary, rather than alternative, explanations. They may set limits on strategic choices and outcomes but, certainly, within these limits the inner context has some influence on strategy making.

It is important to note that as context shapes strategy, so does strategy shape context. So, to take just one example, McGill's choice of a nonconfrontational approach helps maintain the collegial climate. As Pettigrew (1985: 37) has pointed out: structure and context is "not just a barrier to action but [is] essentially involved in its production and .... aspects of structure and context are mobilized or activated by actors and groups as they seek to obtain outcomes important to them."

This research has demonstrated a link between retrenchment strategies and the university context. There is no reason to suggest that there would not be similar links in the case of other types of strategy making and

other types of organization. Thus, if we are to understand why a certain strategy is chosen, how it is put into action, and whether it successful or not, we need to inform ourselves as to the nature of the organizational context in which these actions and decisions are occurring.

Notes

1. It is important to note that this research has focussed on the role of academic staff in the university. It has not explicity included reference to students and nonacademic staff. It has also focussed on the institutional patterns, and it is recognized that, within individual faculties of a particular university, decisions may be taken quite differently because of loose coupling (Weick, 1976).

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